Humanitarian aid to North Korea

2019-03-24:16:59

By Troy Stangarone

In the most recent report by the U.N. Panel of Experts (UNPE), the 1718 Committee documented the increasing number of ways that North Korea continues to evade U.N. sanctions. However, the report also discusses the unintended consequences of sanctions, one of which is the impact on humanitarian assistance in North Korea.

Aid groups looking to engage in humanitarian activities in North Korea have faced difficulties as the sanctions on the North have increased over the last two years, despite a move by the U.N. to provide exemptions for these.

According to the UNPE, they have faced challenges from the deliberative nature of receiving exemptions from sanctions, delays at customs, a disruption of banking channels, a decline in suppliers willing to provide materials, increases in prices, and reductions in available funds.

Some of these issues are perhaps inevitable. While the report notes some entities still unwittingly work with North Korea, the increased scrutiny of transactions with Pyongyang will inevitably lead to longer times to clear customs as exports are inspected and a decreasing number of suppliers willing to do business related to the North.

At the same time, some of the challenges from sanctions could be minimized. As the sanctions expanded in an effort to pressure North Korea to suspend its nuclear and missile tests and return to talks, large categories of goods were prohibited from being exported there.

These are not always complex, dual use goods that could contribute to Pyongyang's weapons programs or that might help it earn hard currency, but mundane items such shovels, hoes, nail clippers, and office supplies such as paper clips.

More complex equipment related to irrigation, harvesting, and water sanitation is also prohibited under U.N. sanctions. This often happens because the U.N. sanctions ban exports of items in whole sections of the harmonized code, which is used to classify exports and imports that include both prohibited items and items which are needed for humanitarian assistance.

To address this challenge, the UNPE recommends creating a whitelist of goods that are approved for humanitarian export. This would be a step forward in separating out items that are humanitarian in nature from those that would either help further Pyongyang's weapons development or help it earn hard currency.

At the same time, legitimate humanitarian assistance needs to be balanced with helping North Korea become self-sufficient. In recent weeks there have been concerns about a food crisis in the North with an expected shortfall in the coming year.

According to North Korea, crop production was down 16 percent last year from 2016 and it is expected to face a shortage of 1.4 million tons of food this year. The U.N. estimates that 10.9 million people are in need of aid.



Received by NSD/FARA Registration Unit 03/25/2019 9:30:47 AM Humanitarian aid to North Korea

3/25/2019

The good news is that, unlike in prior years, the regime has also been importing increasing quantities of food from China—despite exports declining to minimal amounts and its hard currency dwindling. There is also reason to suspect that the growing number of markets help to fill the food gap as well.

When it comes to food aid, there may need to take a more nuanced approach. Where there are real needs for food assistance the international community should be willing to provide assistance. However, it should also be careful not to provide such large amounts of food that aid undermines the growth of the markets and the small scale farmers who provide them with produce.

In this sense, the creation of a whitelist for goods that will help to support agricultural production may be more beneficial than direct food aid. Allowing for the exports of shovels, irrigation equipment, or other supplies that will help North Korea grow food are useful steps that should be pursued.

The nuclear talks with the North could also help alleviate shortages. If the United States and North Korea are able to restart talks after the breakdown in Hanoi and reach an initial understanding, an early area for sanctions relief should be the creation of a mechanism that would allow for Pyongyang to purchase the food it needs.

At times there has been the discussion of developing an escrow account to hold North Korean earnings until dismantlement has reached the point of no return. Funds held in this type of account could be dedicated to the North initially buying food on international markets, but in time, shifting to the purchase of basic equipment and fertilizer to help boost agricultural production domestically.

The U.N. sanctions were never meant to hinder humanitarian aid to North Korea. Steps that the U.N. can take to ease the process, such as a whitelist, should be perused, but the idea of humanitarian aid to North Korea should also go beyond food to what should be provided so it is able to sustain itself.

Troy Stangarone (ts@keia.org) is the senior director of congressional affairs and trade at the Korea Economic Institute.